

Mr. Keld Sorensen

October 6, 1980

Glenn L. Rigby

TPZ Compatible Use

This is in regard to your memo of July 29, 1980, relating to the proper valuation of compatible uses of TPZ land.

Since there have been several letters written on this question which may have confused rather than clarified it, I have attempted to answer them in this one writing.

I think the initial step is to look to Section 52(b) of the Revenue and Taxation Code. This provision states:

"Notwithstanding any other provision of this division, property restricted to timberland use pursuant to subdivision (j) of Section 3 of Article XIII of the California Constitution shall be valued for property tax purposes pursuant to Article 1.7 (commencing with Section 431) of Chapter 3 of Part 2."

In our opinion, this section merely provides that the property restricted to timberland use is excluded from the provisions of Proposition 13 and is to be valued pursuant to the terms of Article 1.7. It naturally follows that property not subject to valuation under Article 1.7, such as structures, structure sites and compatible uses, is to be valued according to the rules of Proposition 13, i.e., valued at their trended base year level, or at current market value, whichever is less.

You can see from the foregoing conclusions that it is only the property restricted to timberland use which is outside the valuation provisions of Proposition 13.

GLR:fr

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